



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0262	Title:	Revise resort tax laws
Primary Sponsor:	White, Kerry	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 262 expands Montana's resort and local option sales tax to allow an additional 1% sales tax above the current 3% limit. The revenues from the new tax must be used for the preservation or restoration of historic buildings. The State of Montana does not collect or distribute the revenue generated by a local option sales tax. As a result, HB 262 has no revenue or expenditure impact on the state.

FISCAL ANALYSIS

Assumptions:

- Under current law, 7-6-1503, MCA, allows some resort communities to establish a local option sales tax on a limited number of local goods and services. Currently, the sales tax cannot exceed 3%.
- HB 262 allows the same resort communities to enact a local option sales tax of 1% in addition to the standard 3% sales tax. However, the 1% tax revenue must be used to fund the preservation or restoration of historic buildings.
- Under the current law, and as proposed by HB 262, resort and local option sales taxes are administered and collected by the resort community's governing body. As a result, HB 262's changes to the local option sales taxes will have no impact on state revenues or expenditures.

Sponsor's Initials

Date

Budget Director's Initials

Date